

**CITY OF BISMARCK DEFERRED SICK LEAVE FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF JUNE 30, 2007**

|  | June-07        |                      |                   |               |                  | March-07       |                      |                   |              | December-06    |                      |                   |               | September-06   |                      |                   |               | Current       | Prior Year    | 3 Years       | 5 Years       |
|--|----------------|----------------------|-------------------|---------------|------------------|----------------|----------------------|-------------------|--------------|----------------|----------------------|-------------------|---------------|----------------|----------------------|-------------------|---------------|---------------|---------------|---------------|---------------|
|  | Market Value   | Allocation<br>Actual | Quarter<br>Policy | Net ROR       | Month<br>Net ROR | Market Value   | Allocation<br>Actual | Quarter<br>Policy | Net ROR      | Market Value   | Allocation<br>Actual | Quarter<br>Policy | Net ROR       | Market Value   | Allocation<br>Actual | Quarter<br>Policy | Net ROR       | Net           | Net           | Net           | Net           |
| <b>LARGE CAP DOMESTIC EQUITY</b>                 |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| <i>Structured Growth</i>                         |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| Los Angeles Capital                              | 18,860         | 2.3%                 | 2.3%              | 7.52%         | -1.44%           | 18,043         | 2.2%                 | 2.3%              | 3.86%        | 17,611         | 2.2%                 | 2.3%              | 7.40%         | 16,814         | 2.2%                 | 2.3%              | 1.60%         | 21.84%        | 11.12%        | 13.35%        | N/A           |
| <b>Total Structured Growth</b>                   | <b>18,860</b>  | <b>2.3%</b>          | <b>2.3%</b>       | <b>7.52%</b>  | <b>-1.44%</b>    | <b>18,043</b>  | <b>2.2%</b>          | <b>2.3%</b>       | <b>3.86%</b> | <b>17,611</b>  | <b>2.2%</b>          | <b>2.3%</b>       | <b>7.40%</b>  | <b>16,814</b>  | <b>2.2%</b>          | <b>2.3%</b>       | <b>1.60%</b>  | <b>21.84%</b> | <b>11.12%</b> | <b>13.35%</b> | <b>10.94%</b> |
| Russell 1000 Growth                              |                |                      |                   | 6.86%         | -1.49%           |                |                      |                   | 1.19%        |                |                      |                   | 5.93%         |                |                      |                   | 3.94%         | 19.04%        | 6.12%         | 8.70%         | 9.28%         |
| <i>Structured Value</i>                          |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| <b>LSV</b>                                       | <b>18,620</b>  | <b>2.3%</b>          | <b>2.3%</b>       | <b>6.59%</b>  | <b>-2.33%</b>    | <b>17,966</b>  | <b>2.2%</b>          | <b>2.3%</b>       | <b>2.38%</b> | <b>19,493</b>  | <b>2.4%</b>          | <b>2.3%</b>       | <b>8.10%</b>  | <b>18,527</b>  | <b>2.4%</b>          | <b>2.3%</b>       | <b>4.91%</b>  | <b>23.77%</b> | <b>15.05%</b> | <b>19.00%</b> | <b>16.55%</b> |
| Russell 1000 Value                               |                |                      |                   | 4.93%         | -2.34%           |                |                      |                   | 1.24%        |                |                      |                   | 8.00%         |                |                      |                   | 6.22%         | 21.87%        | 12.10%        | 15.93%        | 13.31%        |
| <i>Russell 1000 Enhanced Index</i>               |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| <b>LA Capital</b>                                | <b>37,601</b>  | <b>4.5%</b>          | <b>4.5%</b>       | <b>6.83%</b>  | <b>-1.90%</b>    | <b>36,206</b>  | <b>4.4%</b>          | <b>4.5%</b>       | <b>1.65%</b> | <b>36,938</b>  | <b>4.6%</b>          | <b>4.5%</b>       | <b>7.67%</b>  | <b>33,538</b>  | <b>4.4%</b>          | <b>4.5%</b>       | <b>3.72%</b>  | <b>21.27%</b> | <b>11.58%</b> | <b>13.46%</b> | <b>N/A</b>    |
| Russell 1000                                     |                |                      |                   | 5.90%         | -1.91%           |                |                      |                   | 1.21%        |                |                      |                   | 6.95%         |                |                      |                   | 5.06%         | 20.43%        | 9.08%         | 12.34%        | N/A           |
| <i>S&amp;P 500 Enhanced Index</i>                |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| <b>Westridge</b>                                 | <b>40,130</b>  | <b>4.9%</b>          | <b>4.5%</b>       | <b>6.41%</b>  | <b>-1.62%</b>    | <b>38,794</b>  | <b>4.8%</b>          | <b>4.5%</b>       | <b>0.74%</b> | <b>37,217</b>  | <b>4.7%</b>          | <b>4.5%</b>       | <b>6.85%</b>  | <b>35,813</b>  | <b>4.6%</b>          | <b>4.5%</b>       | <b>5.74%</b>  | <b>21.12%</b> | <b>8.77%</b>  | <b>11.98%</b> | <b>N/A</b>    |
| S&P 500  |                |                      |                   | 6.28%         | -1.66%           |                |                      |                   | 0.64%        |                |                      |                   | 6.70%         |                |                      |                   | 5.67%         | 20.59%        | 8.63%         | 11.68%        | N/A           |
| <i>Index</i>                                     |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| State Street                                     | 11,600         |                      |                   | 5.47%         | -1.80%           | 11,295         |                      |                   | 1.42%        | 13,081         |                      |                   | 7.85%         | 12,441         |                      |                   | 5.59%         | 21.82%        | 9.51%         | 12.34%        | 11.08%        |
| <b>Total 130/30</b>                              | <b>11,600</b>  | <b>1.4%</b>          | <b>1.5%</b>       | <b>5.47%</b>  | <b>-1.80%</b>    | <b>11,295</b>  | <b>1.4%</b>          | <b>1.5%</b>       | <b>1.42%</b> | <b>13,081</b>  | <b>1.6%</b>          | <b>1.5%</b>       | <b>7.85%</b>  | <b>12,441</b>  | <b>1.6%</b>          | <b>1.5%</b>       | <b>5.59%</b>  | <b>21.82%</b> | <b>9.51%</b>  | <b>12.34%</b> | <b>11.08%</b> |
| S&P 500  |                |                      |                   | 6.28%         | -1.66%           |                |                      |                   | 0.64%        |                |                      |                   | 6.70%         |                |                      |                   | 5.67%         | 20.59%        | 8.63%         | 11.68%        | 10.71%        |
| <b>TOTAL LARGE CAP DOMESTIC EQUITY</b>           | <b>126,811</b> | <b>15.3%</b>         | <b>15.0%</b>      | <b>6.64%</b>  | <b>-1.79%</b>    | <b>122,305</b> | <b>15.0%</b>         | <b>15.0%</b>      | <b>1.77%</b> | <b>124,339</b> | <b>15.6%</b>         | <b>15.0%</b>      | <b>7.48%</b>  | <b>117,133</b> | <b>15.2%</b>         | <b>15.0%</b>      | <b>4.47%</b>  | <b>21.86%</b> | <b>10.95%</b> | <b>13.76%</b> | <b>12.22%</b> |
| S&P 500  |                |                      |                   | 6.28%         | -1.66%           |                |                      |                   | 0.64%        |                |                      |                   | 6.70%         |                |                      |                   | 5.67%         | 20.59%        | 8.63%         | 11.68%        | 10.71%        |
| <b>SMALL CAP DOMESTIC EQUITY</b>                 |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| <i>Manager-of-Managers</i>                       |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| <b>SEI</b>                                       | <b>43,679</b>  | <b>5.3%</b>          | <b>5.0%</b>       | <b>6.28%</b>  | <b>-1.29%</b>    | <b>41,046</b>  | <b>5.0%</b>          | <b>5.0%</b>       | <b>2.41%</b> | <b>42,033</b>  | <b>5.3%</b>          | <b>5.0%</b>       | <b>8.80%</b>  | <b>38,582</b>  | <b>5.0%</b>          | <b>5.0%</b>       | <b>-0.03%</b> | <b>18.39%</b> | <b>13.58%</b> | <b>13.70%</b> | <b>14.37%</b> |
| Russell 2000 + 200bp                             |                |                      |                   | 4.94%         | -1.30%           |                |                      |                   | 2.45%        |                |                      |                   | 9.43%         |                |                      |                   | 0.94%         | 18.76%        | 16.86%        | 15.72%        | 16.16%        |
| <b>TOTAL SMALL CAP DOMESTIC EQUITY</b>           | <b>43,679</b>  | <b>5.3%</b>          | <b>5.0%</b>       | <b>6.28%</b>  | <b>-1.29%</b>    | <b>41,046</b>  | <b>5.0%</b>          | <b>5.0%</b>       | <b>2.41%</b> | <b>42,033</b>  | <b>5.3%</b>          | <b>5.0%</b>       | <b>8.80%</b>  | <b>38,582</b>  | <b>5.0%</b>          | <b>5.0%</b>       | <b>-0.03%</b> | <b>18.39%</b> | <b>13.58%</b> | <b>13.70%</b> | <b>14.37%</b> |
| Russell 2000                                     |                |                      |                   | 4.42%         | -1.46%           |                |                      |                   | 1.95%        |                |                      |                   | 8.90%         |                |                      |                   | 0.44%         | 16.44%        | 14.58%        | 13.45%        | 13.88%        |
| <b>INTERNATIONAL EQUITY</b>                      |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| <i>Large Cap - Active</i>                        |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| Capital Guardian                                 | 35,348         | 4.3%                 | 4.0%              | 7.29%         | -0.01%           | 33,897         | 4.2%                 | 4.0%              | 3.07%        | 34,194         | 4.3%                 | 4.0%              | 8.50%         | 31,470         | 4.1%                 | 4.0%              | 5.00%         | 25.99%        | 28.07%        | 21.19%        | 14.89%        |
| LSV  | 33,576         | 4.1%                 | 4.0%              | 6.28%         | 0.29%            | 32,496         | 4.0%                 | 4.0%              | 5.08%        | 33,979         | 4.2%                 | 4.0%              | 10.63%        | 30,712         | 4.0%                 | 4.0%              | 6.22%         | 31.24%        | 27.09%        | N/A           | N/A           |
| <b>Total Large Cap - Active</b>                  | <b>68,925</b>  | <b>8.3%</b>          | <b>8.0%</b>       | <b>6.80%</b>  | <b>0.14%</b>     | <b>66,393</b>  | <b>8.2%</b>          | <b>8.0%</b>       | <b>4.06%</b> | <b>68,173</b>  | <b>8.5%</b>          | <b>8.0%</b>       | <b>9.55%</b>  | <b>62,183</b>  | <b>8.1%</b>          | <b>8.0%</b>       | <b>5.60%</b>  | <b>28.57%</b> | <b>27.66%</b> | <b>22.95%</b> | <b>18.43%</b> |
| MSCI EAFE - 50% Hedged                           |                |                      |                   | 6.69%         | 0.04%            |                |                      |                   | 4.03%        |                |                      |                   | 9.06%         |                |                      |                   | 4.87%         | 26.94%        | 26.72%        | 22.55%        | 15.71%        |
| <i>Small Cap - Value</i>                         |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| <b>Lazard</b>                                    | <b>8,206</b>   | <b>1.0%</b>          | <b>1.0%</b>       | <b>2.34%</b>  | <b>-1.90%</b>    | <b>8,256</b>   | <b>1.0%</b>          | <b>1.0%</b>       | <b>2.39%</b> | <b>8,376</b>   | <b>1.0%</b>          | <b>1.0%</b>       | <b>14.69%</b> | <b>7,306</b>   | <b>0.9%</b>          | <b>1.0%</b>       | <b>0.71%</b>  | <b>21.03%</b> | <b>23.65%</b> | <b>20.93%</b> | <b>N/A</b>    |
| Citigroup Broad Market Index < \$2BN             |                |                      |                   | 6.19%         | 0.30%            |                |                      |                   | 7.05%        |                |                      |                   | 11.41%        |                |                      |                   | 1.53%         | 28.58%        | 29.28%        | 26.34%        | N/A           |
| <i>Small Cap - Growth</i>                        |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| <b>Vanguard</b>                                  | <b>7,830</b>   | <b>0.9%</b>          | <b>1.0%</b>       | <b>5.20%</b>  | <b>-1.17%</b>    | <b>8,719</b>   | <b>1.1%</b>          | <b>1.0%</b>       | <b>6.59%</b> | <b>8,495</b>   | <b>1.1%</b>          | <b>1.0%</b>       | <b>12.63%</b> | <b>7,543</b>   | <b>1.0%</b>          | <b>1.0%</b>       | <b>3.73%</b>  | <b>31.00%</b> | <b>29.24%</b> | <b>28.08%</b> | <b>N/A</b>    |
| Citigroup Broad Market Index < \$2BN             |                |                      |                   | 6.19%         | 0.30%            |                |                      |                   | 7.05%        |                |                      |                   | 11.41%        |                |                      |                   | 1.53%         | 28.58%        | 29.28%        | 26.34%        | N/A           |
| <b>TOTAL INTERNATIONAL EQUITY</b>                | <b>84,960</b>  | <b>10.3%</b>         | <b>10.0%</b>      | <b>6.19%</b>  | <b>-0.20%</b>    | <b>83,368</b>  | <b>10.2%</b>         | <b>10.0%</b>      | <b>4.15%</b> | <b>85,044</b>  | <b>10.6%</b>         | <b>10.0%</b>      | <b>10.33%</b> | <b>77,031</b>  | <b>10.0%</b>         | <b>10.0%</b>      | <b>4.91%</b>  | <b>28.02%</b> | <b>27.35%</b> | <b>23.43%</b> | <b>17.15%</b> |
| MSCI EAFE - 50% Hedged                           |                |                      |                   | 6.69%         | 0.04%            |                |                      |                   | 4.03%        |                |                      |                   | 9.06%         |                |                      |                   | 4.87%         | 26.94%        | 26.72%        | 22.55%        | 15.71%        |
| <b>DOMESTIC FIXED INCOME</b>                     |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| <i>Core Bond</i>                                 |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| <b>Western Asset</b>                             | <b>160,202</b> | <b>19.4%</b>         | <b>20.2%</b>      | <b>-0.90%</b> | <b>-0.80%</b>    | <b>158,135</b> | <b>19.4%</b>         | <b>19.8%</b>      | <b>1.61%</b> | <b>177,233</b> | <b>22.2%</b>         | <b>22.4%</b>      | <b>2.01%</b>  | <b>172,335</b> | <b>22.4%</b>         | <b>22.4%</b>      | <b>4.45%</b>  | <b>7.29%</b>  | <b>-0.90%</b> | <b>4.44%</b>  | <b>5.64%</b>  |
| Lehman Aggregate                                 |                |                      |                   | -0.52%        | -0.30%           |                |                      |                   | 1.50%        |                |                      |                   | 1.24%         |                |                      |                   | 3.81%         | 6.12%         | -0.81%        | 3.98%         | 4.48%         |
| <i>Mortgage Backed</i>                           |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| <b>Hyperion</b>                                  | <b>45,204</b>  | <b>5.5%</b>          | <b>5.2%</b>       | <b>-0.68%</b> | <b>-0.29%</b>    | <b>44,168</b>  | <b>5.4%</b>          | <b>5.2%</b>       | <b>N/A</b>   | <b>-</b>       | <b>0.0%</b>          | <b>0.0%</b>       | <b>N/A</b>    | <b>-</b>       | <b>0.0%</b>          | <b>0.0%</b>       | <b>N/A</b>    | <b>N/A</b>    | <b>N/A</b>    | <b>N/A</b>    | <b>N/A</b>    |
| Lehman Global Aggregate (US Securitized Portion) |                |                      |                   | -0.45%        |                  |                |                      |                   | 1.89%        |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| <i>Core Plus/Enhanced</i>                        |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| Clifton Group                                    | 44,137         | 5.3%                 | 5.2%              | -0.52%        | -0.15%           | 43,869         | 5.4%                 | 5.2%              | 1.91%        | 40,335         | 5.0%                 | 5.2%              | 0.66%         | 39,751         | 5.2%                 | 5.2%              | 3.40%         | 5.52%         | N/A           | N/A           | N/A           |
| Prudential                                       | 44,065         | 5.3%                 | 5.2%              | -0.51%        | -0.71%           | 43,747         | 5.4%                 | 5.2%              | 1.50%        | 40,391         | 5.1%                 | 5.2%              | 1.89%         | 39,307         | 5.1%                 | 5.2%              | N/A           | N/A           | N/A           | N/A           | N/A           |
| <b>Total Core Plus/Enhanced</b>                  | <b>88,201</b>  | <b>10.7%</b>         | <b>10.4%</b>      | <b>-0.52%</b> | <b>-0.43%</b>    | <b>87,616</b>  | <b>10.8%</b>         | <b>10.4%</b>      | <b>1.70%</b> | <b>80,726</b>  | <b>10.1%</b>         | <b>10.4%</b>      | <b>1.27%</b>  | <b>79,058</b>  | <b>10.3%</b>         | <b>10.4%</b>      | <b>3.40%</b>  | <b>5.95%</b>  | <b>N/A</b>    | <b>N/A</b>    | <b>N/A</b>    |
| Lehman Aggregate                                 |                |                      |                   | -0.52%        | -0.30%           |                |                      |                   | 1.50%        |                |                      |                   | 1.24%         |                |                      |                   | 3.81%         | 6.12%         |               |               |               |
| <i>Index</i>                                     |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| <b>Bank of ND</b>                                | <b>78,783</b>  | <b>9.5%</b>          | <b>9.1%</b>       | <b>-0.41%</b> | <b>-0.11%</b>    | <b>80,666</b>  | <b>9.9%</b>          | <b>9.8%</b>       | <b>1.37%</b> | <b>74,558</b>  | <b>9.3%</b>          | <b>9.8%</b>       | <b>1.31%</b>  | <b>75,798</b>  | <b>9.8%</b>          | <b>9.8%</b>       | <b>3.10%</b>  | <b>5.45%</b>  | <b>-1.14%</b> | <b>2.92%</b>  | <b>4.32%</b>  |
| Lehman Gov/Credit (1)                            |                |                      |                   | -0.49%        | -0.21%           |                |                      |                   | 1.47%        |                |                      |                   | 1.04%         |                |                      |                   | 3.91%         | 6.00%         | -1.52%        | 3.04%         | 4.35%         |
| <i>BBB Average Quality</i>                       |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| <b>Wells Capital (formerly Strong)</b>           | <b>158,634</b> | <b>19.2%</b>         | <b>20.2%</b>      | <b>-0.33%</b> | <b>-0.33%</b>    | <b>157,052</b> | <b>19.3%</b>         | <b>19.8%</b>      | <b>1.74%</b> | <b>176,728</b> | <b>22.1%</b>         | <b>22.4%</b>      | <b>1.75%</b>  | <b>172,288</b> | <b>22.4%</b>         | <b>22.4%</b>      | <b>4.60%</b>  | <b>7.93%</b>  | <b>-2.11%</b> | <b>4.86%</b>  | <b>6.59%</b>  |
| Lehman US Credit BAA                             |                |                      |                   | -0.66%        | -0.63%           |                |                      |                   | 1.79%        |                |                      |                   | 1.49%         |                |                      |                   | 4.80%         | 7.54%         | -2.37%        | 4.47%         | 6.59%         |
| <b>TOTAL DOMESTIC FIXED INCOME</b>               | <b>531,024</b> | <b>64.2%</b>         | <b>65.0%</b>      | <b>-0.57%</b> | <b>-0.45%</b>    | <b>527,637</b> | <b>64.8%</b>         | <b>65.0%</b>      | <b>1.57%</b> | <b>509,245</b> | <b>63.7%</b>         | <b>65.0%</b>      | <b>1.70%</b>  | <b>499,480</b> | <b>64.8%</b>         | <b>65.0%</b>      | <b>4.28%</b>  | <b>7.11%</b>  | <b>-1.39%</b> | <b>3.89%</b>  | <b>5.04%</b>  |
| Lehman Aggregate (2)                             |                |                      |                   | -0.52%        | -0.30%           |                |                      |                   | 1.50%        |                |                      |                   | 1.24%         |                |                      |                   | 3.81%         | 6.12%         | -0.81%        | 4.13%         | 4.87%         |
| <b>CASH EQUIVALENTS</b>                          |                |                      |                   |               |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |
| <b>Bank of ND</b>                                | <b>40,584</b>  | <b>4.9%</b>          | <b>5.0%</b>       | <b>1.28%</b>  | <b>0.41%</b>     | <b>39,934</b>  | <b>4.9%</b>          | <b>5.0%</b>       | <b>1.32%</b> | <b>38,946</b>  | <b>4.9%</b>          | <b>5.0%</b>       | <b>1.32%</b>  | <b>38,178</b>  | <b>5.0%</b>          | <b>5.0%</b>       | <b>1.35%</b>  | <b>5.36%</b>  | <b>4.50%</b>  | <b>4.10%</b>  | <b>3.00%</b>  |
| 90 Day T-Bill                                    |                |                      |                   | 1.27%         | 0.39%            |                |                      |                   | 1.25%        |                |                      |                   | 1.26%         |                |                      |                   | 1.33%         | 5.21%         | 4.00%         | 3.78%         | 2.76%         |
| <b>TOTAL DEFERRED SICK LEAVE FUND</b>            | <b>827,059</b> | <b>100.0%</b>        | <b>100.0%</b>     | <b>1.64%</b>  | <b>-0.63%</b>    | <b>814,290</b> | <b>100.0%</b>        | <b>100.0%</b>     | <b>1.92%</b> | <b>799,606</b> | <b>100.0%</b>        | <b>100.0%</b>     | <b>3.79%</b>  | <b>770,404</b> | <b>100.0%</b>        | <b>100.0%</b>     | <b>3.99%</b>  | <b>11.82%</b> | <b>4.30%</b>  | <b>7.58%</b>  | <b>8.08%</b>  |
| POLICY TARGET BENCHMARK                          |                |                      |                   | 1.55%         |                  |                |                      |                   |              |                |                      |                   |               |                |                      |                   |               |               |               |               |               |